

Senate Bill No. 1223

Passed the Senate July 6, 2000

Secretary of the Senate

Passed the Assembly July 6, 2000

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2000, at _____ o'clock ____M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Sections 82016, 82053, 84204, and 89510 of, to add Sections 84305.6, 84511, 85314, 85315, 85316, 85317, 85318, and 85319 to, to add Article 2.5 (commencing with Section 85202) to Chapter 5 of, to repeal Sections 84201 and 85313, and Article 2 (commencing with Section 85202) of Chapter 5 of, to repeal and add Sections 83116, 83116.5, 83124, 85301, 85302, 85303, 85304, 85305, 85306, 85307, 85308, 85309, 85310, 85311, 85312, 89519, 91000, 91004, 91005.5, and 91006 of, and to repeal and add Article 1 (commencing with Section 85100), Article 4 (commencing with Section 85400), Article 5 (commencing with Section 85500), Article 6 (commencing with Section 85600), and Article 7 (commencing with Section 85700) of Chapter 5 of Title 9 of, the Government Code, relating to the Political Reform Act of 1974 and calling a special election to be consolidated with the general election of November 7, 2000, to take effect immediately, as an act calling an election.

LEGISLATIVE COUNSEL'S DIGEST

SB 1223, Burton. Campaign contributions and expenditures.

The Political Reform Act of 1974 was amended by the adoption of Proposition 208, an initiative statute approved by the voters at the November 5, 1996, statewide general election. The amendments made by Proposition 208 to the Political Reform Act of 1974, among other things, established certain limits on the amount of campaign contributions that an individual or group can make to a candidate for state or local elective office, on the amount of loans a candidate may make to his or her campaign, and on voluntary campaign spending.

On January 6, 1998, a decision of a federal district court preliminarily enjoined the Fair Political Practices Commission from enforcing the amendments made by Proposition 208 to the Political Reform Act of 1974. On



January 5, 1999, a federal appellate court affirmed the preliminary injunction and returned the matter to the district court to consider in a new trial the constitutionality of all aspects of the Proposition 208 amendments. That new trial is scheduled to begin on July 11, 2000.

This bill would, among other things, repeal certain amendments made by Proposition 208 and would reenact provisions that impose similar, but increased dollar amount limits on campaign contributions for elective state office, candidate loans, and voluntary campaign spending. This bill would also add provisions to the act that require certain disclosures in slate mailers, in paid political advertisements, and in certain issue advocacy communications; authorize intracandidate transfers of campaign funds and restrict intercandidate contributions; require the aggregation of certain contributions made by affiliated entities; expand online or electronic filing requirements with respect to the receipt of certain contributions and the making of certain independent expenditures; and prescribe the authorized use of surplus campaign funds. These new provisions, as to candidates for statewide elective office, would become operative on or after November 6, 2002. This bill would also make certain technical conforming changes.

Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

The Political Reform Act of 1974, an initiative measure, provides that the act may be amended by a statute that becomes effective upon approval of the voters.

This measure would call a special statewide election to be consolidated with the statewide general election scheduled for November 7, 2000. It would provide for the submission to the voters of the provisions of this bill amending the Political Reform Act of 1974, as summarized above, at that election.

This bill would declare that it is to take effect immediately as an act calling an election.



The people of the State of California do enact as follows:

SECTION 1. (a) The people find and declare all of the following:

(1) Monetary contributions to political campaigns are a legitimate form of participation in the American political process, but large contributions may corrupt or appear to corrupt candidates for elective office.

(2) Increasing costs of political campaigns have forced many candidates to devote a substantial portion of their time to raising campaign contributions and less time to public policy.

(3) Political parties play an important role in the American political process and help insulate candidates from the potential corrupting influence of large contributions.

(b) The people enact the Campaign Contribution and Voluntary Expenditure Limits Without Taxpayer Financing Amendments to the Political Reform Act of 1974 to accomplish all of the following purposes:

(1) To ensure that individuals and interest groups in our society have a fair and equitable opportunity to participate in the elective and governmental processes.

(2) To minimize the potentially corrupting influence and appearance of corruption caused by large contributions by providing reasonable contribution and voluntary expenditure limits.

(3) To reduce the influence of large contributors with an interest in matters before state government by prohibiting lobbyist contributions.

(4) To provide voluntary expenditure limits so that candidates and officeholders can spend a lesser proportion of their time on fundraising and a greater proportion of their time conducting public policy.

(5) To increase public information regarding campaign contributions and expenditures.

(6) To enact increased penalties to deter persons from violating the Political Reform Act of 1974.

(7) To strengthen the role of political parties in financing political campaigns by means of reasonable



limits on contributions to political party committees and by limiting restrictions on contributions to, and expenditures on behalf of, party candidates, to a full, complete, and timely disclosure to the public.

SEC. 2. Section 82016 of the Government Code is amended to read:

82016. (a) “Controlled committee” means a committee that is controlled directly or indirectly by a candidate or state measure proponent or that acts jointly with a candidate, controlled committee, or state measure proponent in connection with the making of expenditures. A candidate or state measure proponent controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.

(b) Notwithstanding subdivision (a), a political party committee, as defined in Section 85205, is not a controlled committee.

SEC. 3. Section 82053 of the Government Code is amended to read:

82053. “Statewide elective office” means the office of Governor, Lieutenant Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Treasurer, Superintendent of Public Instruction and member of the State Board of Equalization.

SEC. 4. Section 83116 of the Government Code, as added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

SEC. 5. Section 83116 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 6. Section 83116 is added to the Government Code, to read:

83116. When the commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, Government Code).

The commission shall have all the powers granted by that chapter. When the commission determines on the basis of the hearing that a violation has occurred, it shall issue an order that may require the violator to do all or any of the following:

(a) Cease and desist violation of this title.

(b) File any reports, statements, or other documents or information required by this title.

(c) Pay a monetary penalty of up to five thousand dollars (\$5,000) per violation to the General Fund of the state. When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

SEC. 7. Section 83116.5 of the Government Code, as added by Chapter 670 of the Statutes of 1984, is repealed.

SEC. 8. Section 83116.5 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 9. Section 83116.5 is added to the Government Code, to read:

83116.5. Any person who violates any provision of this title, who purposely or negligently causes any other person to violate any provision of this title, or who aids and abets any other person in the violation of any provision of this title, shall be liable under the provisions of this chapter. However, this section shall apply only to persons who have filing or reporting obligations under this title, or who are compensated for services involving the planning, organizing, or directing any activity regulated or required by this title, and a violation of this section shall not constitute an additional violation under Chapter 11 (commencing with Section 91000).

SEC. 10. Section 83124 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 11. Section 83124 is added to the Government Code, to read:

83124. The commission shall adjust the contribution limitations and voluntary expenditure limitations provisions in Sections 85301, 85302, 85303, and 85400 in January of every odd-numbered year to reflect any



increase or decrease in the Consumer Price Index. Those adjustments shall be rounded to the nearest one hundred dollars (\$100) for limitations on contributions and one thousand dollars (\$1,000) for limitations on expenditures.

SEC. 12. Section 84201 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 13. Section 84204 of the Government Code is amended to read:

84204. (a) A candidate or committee that makes a late independent expenditure, as defined in Section 82036.5, shall report the late independent expenditure by facsimile transmission, telegram, guaranteed overnight mail through the United States Postal Service or personal delivery within 24 hours of the time it is made. A late independent expenditure shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.

(b) A candidate or committee that makes a late independent expenditure shall report its full name and street address, as well as the name, office, and district of the candidate if the report is related to a candidate, or if the report is related to a measure, the number or letter of the measure, the jurisdiction in which the measure is to be voted upon, and the amount and the date, as well as a description of goods or services for which the late independent expenditure was made. In addition to the information required by this subdivision, a committee that makes a late independent expenditure shall include with its late independent expenditure report the information required by paragraphs (1) to (5), inclusive, of subdivision (f) of Section 84211, covering the period from the day after the closing date of the last campaign report filed to the date of the late independent expenditure, or if the committee has not previously filed a campaign statement, covering the period from the previous January 1 to the date of the late independent expenditure. No information required by paragraphs (1) to (5), inclusive, of subdivision (f) of Section 84211, that is required to be reported with a late independent



expenditure report by this subdivision, is required to be reported on more than one late independent expenditure report.

(c) A candidate or committee that makes a late independent expenditure shall file a late independent expenditure report in the places where it would be required to file campaign statements under this article as if it were formed or existing primarily to support or oppose the candidate or measure for or against which it is making the late independent expenditure.

(d) A report filed pursuant to this section shall be in addition to any other campaign statement required to be filed by this article.

SEC. 14. Section 84305.6 is added to the Government Code, to read:

84305.6. In addition to the requirements of Section 84305.5, a slate mailer organization or committee primarily formed to support or oppose one or more ballot measures may not send a slate mailer unless any recommendation in the slate mailer to support or oppose a ballot measure or to support a candidate that is different from the official recommendation to support or oppose by the political party that the mailer appears by representation or indicia to represent is accompanied, immediately below the ballot measure or candidate recommendation in the slate mailer, in no less than nine-point roman boldface type in a color or print that contrasts with the background so as to be easily legible, the following notice:

“THIS IS NOT THE OFFICIAL POSITION OF THE (political party that the mailer appears by representation or indicia to represent) PARTY.”

SEC. 15. Section 84511 is added to the Government Code, to read:

84511. Any individual who appears in an advertisement to support or oppose the qualification, passage, or defeat of a ballot measure and who has been paid or promised payment of five thousand dollars



(\$5,000) or more for that appearance shall disclose that payment or promised payment in a manner prescribed by the commission. The advertisement shall include the statement “(spokesperson’s name) is being paid by this campaign or its donors” in highly visible roman font shown continuously if the advertisement consists of printed or televised material, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephone message.

SEC. 16. Article 1 (commencing with Section 85100) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 17. Article 1 (commencing with Section 85100) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 18. Article 1 (commencing with Section 85100) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 1. Title of Chapter

85100. This chapter shall be known as the “Campaign Contribution and Voluntary Expenditure Limits Without Taxpayer Financing Amendments to the Political Reform Act of 1974.”

SEC. 19. Article 2 (commencing with Section 85202) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 20. Article 2.5 (commencing with Section 85202) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 2.5. Applicability of the Political Reform Act of
1974

85202. Unless specifically superseded by the act that adds this section, the definitions and provisions of this title shall govern the interpretation of this chapter.

85203. “Small contributor committee” means any committee that meets all of the following criteria:

(a) The committee has been in existence for at least six months.

(b) The committee receives contributions from 100 or more persons.

(c) No one person has contributed to the committee more than two hundred dollars (\$200) per calendar year.

(d) The committee makes contributions to five or more candidates.

85204. “Election cycle” for purposes of Sections 85309 and 85500, means the period of time commencing 90 days prior to an election and ending on the date of the election.

85204.5. With respect to special elections, the following terms have the following meanings:

(a) “Special election cycle” means the day on which the office becomes vacant until the day of the special election.

(b) “Special runoff election cycle” means the day after the special election until the day of the special runoff election.

85205. “Political party committee” means the state central committee or county central committee of an organization that meets the requirements for recognition as a political party pursuant to Section 5100 of the Elections Code.

85206. “Public moneys” has the same meaning as defined in Section 426 of the Penal Code.

SEC. 21. Section 85301 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 22. Section 85301 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.



SEC. 23. Section 85301 is added to the Government Code, to read:

85301. (a) A person, other than a small contributor committee or political party committee, may not make to any candidate for elective state office other than a candidate for statewide elective office, and a candidate for elective state office other than a candidate for statewide elective office may not accept from a person, any contribution totaling more than three thousand dollars (\$3,000) per election.

(b) Except to a candidate for Governor, a person, other than a small contributor committee or political party committee, may not make to any candidate for statewide elective office, and except a candidate for Governor, a candidate for statewide elective office may not accept from a person other than a small contributor committee or a political party committee, any contribution totaling more than five thousand dollars (\$5,000) per election.

(c) A person, other than a small contributor committee or political party committee, may not make to any candidate for Governor, and a candidate for governor may not accept from any person other than a small contributor committee or political party committee, any contribution totaling more than twenty thousand dollars (\$20,000) per election.

(d) The provisions of this section do not apply to a candidate's contributions of his or her personal funds to his or her own campaign.

SEC. 24. Section 85302 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 25. Section 85302 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 26. Section 85302 is added to the Government Code, to read:

85302. (a) A small contributor committee may not make to any candidate for elective state office other than a candidate for statewide elective office, and a candidate



for elective state office, other than a candidate for statewide elective office may not accept from a small contributor committee, any contribution totaling more than six thousand dollars (\$6,000) per election.

(b) Except to a candidate for Governor, a small contributor committee may not make to any candidate for statewide elective office and except for a candidate for Governor, a candidate for statewide elective office may not accept from a small contributor committee, any contribution totaling more than ten thousand dollars (\$10,000) per election.

(c) A small contributor committee may not make to any candidate for Governor, and a candidate for governor may not accept from a small contributor committee, any contribution totaling more than twenty thousand dollars (\$20,000) per election.

SEC. 27. Section 85303 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 28. Section 85303 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 29. Section 85303 is added to the Government Code, to read:

85303. (a) A person may not make to any committee, other than a political party committee, and a committee other than a political party committee may not accept, any contribution totaling more than five thousand dollars (\$5,000) per calendar year for the purpose of making contributions to candidates for elective state office.

(b) A person may not make to any political party committee, and a political party committee may not accept, any contribution totaling more than twenty-five thousand dollars (\$25,000) per calendar year for the purpose of making contributions for the support or defeat of candidates for elective state office.

(c) Except as provided in Section 85310, nothing in this chapter shall limit a person's contributions to a committee or political party committee provided the



contributions are used for purposes other than making contributions to candidates for elective state office.

(d) Nothing in this chapter limits a candidate for elected state office from transferring contributions received by the candidate in excess of any amount necessary to defray the candidate's expenses for election related activities or holding office to a political party committee, provided those transferred contributions are used for purposes consistent with paragraph (4) of subdivision (b) of Section 89519.

SEC. 30. Section 85304 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 31. Section 85304 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 32. Section 85304 is added to the Government Code, to read:

85304. (a) A candidate for elective state office or an elected state officer may establish a separate account to defray attorney's fees and other related legal costs incurred for the candidate's or officer's legal defense if the candidate or officer is subject to one or more civil or criminal proceedings or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer's governmental activities and duties. These funds may be used only to defray those attorney fees and other related legal costs.

(b) A candidate may receive contributions to this account that are not subject to the contribution limits set forth in this article. However, all contributions shall be reported in a manner prescribed by the commission.

(c) Once the legal dispute is resolved, the candidate shall dispose of any funds remaining after all expenses associated with the dispute are discharged for one or more of the purposes set forth in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 89519.



SEC. 33. Section 85305 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 34. Section 85305 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 35. Section 85305 is added to the Government Code, to read:

85305. A candidate for elective state office or committee controlled by that candidate may not make any contribution to any other candidate for elective state office in excess of the limits set forth in subdivision (a) of Section 85301.

SEC. 36. Section 85306 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 37. Section 85306 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 38. Section 85306 is added to the Government Code, to read:

85306. (a) A candidate may transfer campaign funds from one controlled committee to a controlled committee for elective state office of the same candidate. Contributions transferred shall be attributed to specific contributors using a “last in, first out” or “first in, first out” accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor may not exceed the limits set forth in Section 85301 or 85302.

(b) Notwithstanding subdivision (a), a candidate for elective state office, other than a candidate for statewide elective office who possesses campaign funds on January 1, 2001, may use those funds to seek elective office without attributing the funds to specific contributors.

(c) Notwithstanding subdivision (a), a candidate for statewide elective office who possesses campaign funds on November 6, 2002, may use those funds to seek elective office without attributing the funds to specific contributors.



SEC. 39. Section 85307 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 40. Section 85307 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 41. Section 85307 is added to the Government Code, to read:

85307. (a) The provisions of this article regarding loans apply to extensions of credit, but do not apply to loans made to a candidate by a commercial lending institution in the lender's regular course of business on terms available to members of the general public for which the candidate is personally liable.

(b) A candidate for elective state office may not personally loan to his or her campaign an amount, the outstanding balance of which exceeds one hundred thousand dollars (\$100,000). A candidate may not charge interest on any loan he or she made to his or her campaign.

SEC. 42. Section 85308 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 43. Section 85308 is added to the Government Code, to read:

85308. (a) Contributions made by a husband and wife may not be aggregated.

(b) A contribution made by a child under 18 years of age is presumed to be a contribution from the parent or guardian of the child.

SEC. 44. Section 85309 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 45. Section 85309 is added to the Government Code, to read:

85309. (a) In addition to any other report required by this title, candidates for elective state office who are required to file reports pursuant to Section 84605 shall file online or electronically with the Secretary of State a report disclosing receipt of a contribution of one



thousand dollars (\$1,000) or more received during an election cycle. Those reports shall disclose the same information required by subdivision (a) of Section 84203 and shall be filed within 24 hours of receipt of the contribution.

(b) In addition to any other reports required by this title, any committee primarily formed to support one or more state ballot measures that is required to file reports pursuant to Section 84605 shall file online or electronically with the Secretary of State a report disclosing receipt of a contribution of one thousand dollars (\$1,000) or more received during an election cycle. Those reports shall disclose the same information required by subdivision (a) of Section 84203 and shall be filed within 24 hours of receipt of the contribution.

SEC. 46. Section 85310 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 47. Section 85310 is added to the Government Code, to read:

85310. (a) Any person who makes a payment or a promise of payment totaling fifty thousand dollars (\$50,000) or more for a communication that clearly identifies a candidate for elective state office, but does not expressly advocate the election or defeat of the candidate, and that is disseminated, broadcast, or otherwise published within 45 days of an election, shall file online or electronically with the Secretary of State a report disclosing the name of the person, address, occupation, and employer, and amount of the payment. The report shall be filed within 48 hours of making the payment or the promise to make the payment.

(b) (1) Except as provided in paragraph (2), if any person has received a payment or a promise of a payment from other persons totaling five thousand dollars (\$5,000) or more for the purpose of making a communication described in subdivision (a), the person receiving the payments shall disclose on the report the name, address, occupation and employer, and date and amount received from the person.



(2) A person who receives or is promised a payment that is otherwise reportable under paragraph (1) is not required to report the payment if the person is in the business of providing goods or services and receives or is promised the payment for the purpose of providing those goods or services.

(c) Any payment received by a person who makes a communication described in subdivision (a) is subject to the limits specified in subdivision (b) of Section 85303 if the communication is made at the behest of the clearly identified candidate.

SEC. 48. Section 85311 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 49. Section 85311 is added to the Government Code, to read:

85311. (a) For purposes of this chapter the following terms have the following meanings:

(1) “Entity” means any person, other than an individual.

(2) “Majority-owned” means a direct or indirect ownership of more than 50 percent.

(b) The contributions of an entity whose contributions are directed and controlled by any individual shall be aggregated with contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.

(c) If two or more entities make contributions that are directed and controlled by a majority of the same persons, the contributions of those entities shall be aggregated.

(d) Contributions made by entities that are majority-owned by any person shall be aggregated with the contributions of the majority owner and all other entities majority-owned by that person, unless those entities act independently in their decisions to make contributions.

SEC. 50. Section 85312 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.



SEC. 51. Section 85312 is added to the Government Code, to read:

85312. For purpose of this title, payments for communications for purpose of this title to members, employees, shareholders, or families of members, employees, or shareholders of an organization for the purpose of supporting or opposing a candidate or a ballot measure are not contributions or independent expenditures, provided those payments are not made for general public advertising such as broadcasting, billboards, and newspaper advertisements.

SEC. 52. Section 85313 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 53. Section 85314 is added to the Government Code, to read:

85314. The contribution limits of this chapter apply to special elections and apply to special runoff elections. A special election and a special runoff election are separate elections for purposes of the contribution and voluntary expenditure limits set forth in this chapter.

SEC. 54. Section 85315 is added to the Government Code, to read:

85315. (a) Notwithstanding any other provision of this chapter, an elected state officer may establish a committee to oppose the qualification of a recall measure, and the recall election. This committee may be established when the elected state officer receives a notice of intent to recall pursuant to Section 11021 of the Elections Code. An elected state officer may accept campaign contributions to oppose the qualification of a recall measure, and if qualification is successful, the recall election, without regard to the campaign contributions limits set forth in this chapter. The voluntary expenditure limits do not apply to expenditures made to oppose the qualification of a recall measure or to oppose the recall election.

(b) After the failure of a recall petition or after the recall election, the committee formed by the elected state officer shall wind down its activities and dissolve.



Any remaining funds shall be treated as surplus funds and shall be expended within 30 days after the failure of the recall petition or after the recall election for a purpose specified in subdivision (b) of Section 89519.

SEC. 55. Section 85316 is added to the Government Code, to read:

85316. A contribution for an election may be accepted by a candidate for elective state office after the date of the election only to the extent that the contribution does not exceed net debts outstanding from the election, and the contribution does not otherwise exceed the applicable contribution limit for that election.

SEC. 56. Section 85317 is added to the Government Code, to read:

85317. Notwithstanding subdivision (a) of Section 85306, a candidate for state elective office may carry over contributions raised in connection with one election for elective state office to pay campaign expenditures incurred in connection with a subsequent election for the same elective state office.

SEC. 57. Section 85318 is added to the Government Code, to read:

85318. A candidate for state elective office may raise contributions for a general election prior to the primary election for the same elective state office if the candidate set aside these contributions and uses these contributions for the general election. If the candidate for state elective office is defeated in the primary election or otherwise withdraws from the general election, the general election funds shall be refunded to the contributors on a pro rata basis less any expenses associated with the raising and administration of general election contributions.

SEC. 58. Section 85319 is added to the Government Code, to read:

85319. A candidate for state elective office may return all or part of any contribution to the donor who made the contribution at any time, whether or not other contributions are returned.

SEC. 59. Article 4 (commencing with Section 85400) of Chapter 5 of Title 9 of the Government Code, as added



by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 60. Article 4 (commencing with Section 85400) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 4. Voluntary Expenditure Ceilings

85400. (a) A candidate for elective state office, other than the Board of Administration of the Public Employees' Retirement System, who voluntarily accepts expenditure limits may not make campaign expenditures in excess of the following:

(1) For an Assembly candidate, four hundred thousand dollars (\$400,000) in the primary or special primary election and seven hundred thousand dollars (\$700,000) in the general, special, or special runoff election.

(2) For a Senate candidate, six hundred thousand dollars (\$600,000) in the primary or special primary election and nine hundred thousand dollars (\$900,000) in the general, special, or special runoff election.

(3) For a candidate for the State Board of Equalization, one million dollars (\$1,000,000) in the primary election and one million five hundred thousand dollars (\$1,500,000) in the general election.

(4) For a statewide candidate other than a candidate for Governor or the State Board of Equalization, four million dollars (\$4,000,000) in the primary election and six million dollars (\$6,000,000) in the general election.

(5) For a candidate for Governor, six million dollars (\$6,000,000) in the primary election and ten million dollars (\$10,000,000) in the general election.

(b) For purposes of this section "campaign expenditures" has the same meaning as "election related activities" as defined in subparagraph (C) of paragraph (2) of subdivision (b) of Section 82015.

(c) A campaign expenditure made by a political party on behalf of a candidate may not be attributed to the



limitations on campaign expenditures set forth in this section.

85401. (a) Each candidate for elective state office shall file a statement of acceptance or rejection of the voluntary expenditure limits set forth in Section 85400 at the time he or she files the statement of intention specified in Section 85200.

(b) Any candidate for elective state office who declined to accept the voluntary expenditure limits but who nevertheless does not exceed the limits in the primary, special primary, or special election, may file a statement of acceptance of the expenditure limits for a general or special runoff election within 14 days following the primary, special primary, or special election.

85402. (a) Any candidate for elective state office who has filed a statement accepting the voluntary expenditure limits is not bound by those limits if an opposing candidate contributes personal funds to his or her own campaign in excess of the limits set forth in Section 85400.

(b) The commission shall require by regulation timely notification by candidates for elective state office who make personal contributions to their own campaign.

85403. Any candidate who files a statement of acceptance pursuant to Section 85401 and makes campaign expenditures in excess of the limits shall be subject to the remedies in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000).

SEC. 61. Article 5 (commencing with Section 85500) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 62. Article 5 (commencing with Section 85500) is added to Chapter 5 of Title 9 of the Government Code, to read:



Article 5. Independent Expenditures

85500. (a) In addition to any other report required by this title, committees, including political party committees, which are required to file reports pursuant to Section 84605 and that make independent expenditures of one thousand dollars (\$1,000) or more during an election cycle in connection with a candidate for elective state office, shall file online or electronically a report with the Secretary of State disclosing the making of the independent expenditure. Those reports shall disclose the same information required by subdivision (b) of Section 84204 and shall be filed within 24 hours of the time the independent expenditure is made.

(b) An expenditure may not be considered independent, and shall be treated as a contribution from the person making the expenditure to the candidate on whose behalf, or for whose benefit, the expenditure is made, if the expenditure is made under any of the following circumstances:

(1) The expenditure is made with the cooperation of, or in consultation with, any candidate or any authorized committee or agent of the candidate.

(2) The expenditure is made in concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of the candidate.

(3) The expenditure is made under any arrangement, coordination, or direction with respect to the candidate or the candidate's agent and the person making the expenditure.

85501. A controlled committee of a candidate may not make independent expenditures and may not contribute funds to another committee for the purpose of making independent expenditures.

SEC. 63. Article 6 (commencing with Section 85600) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.



SEC. 64. Article 6 (commencing with Section 85600) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 6. Ballot Pamphlet

85600. The Secretary of State and local election officers shall designate in the ballot pamphlet those candidates for elective state office who have voluntarily agreed to expenditure limitations set forth in Section 85400.

85601. A candidate for elective state office who accepts voluntary expenditure limits may purchase the space to place a statement in the ballot pamphlet that does not exceed 250 words. The statement may not make any reference to any opponent of the candidate. The statement shall be submitted in accordance with timeframes and procedures set forth in the Elections Code for the preparation of ballot pamphlets.

SEC. 65. Article 7 (commencing with Section 85700) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 66. Article 7 (commencing with Section 85700) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 7. Additional Contribution Requirements

85700. A candidate or committee shall return within 60 days any contribution of one hundred dollars (\$100) or more for which the candidate or committee does not have on file in the records of the candidate or committee the name, address, occupation, and employer of the contributor.

85701. Any candidate or committee that receives a contribution in violation of Section 84301 shall pay to the General Fund of the state the amount of the contribution.

85702. An elected state officer or candidate for elected state office may not accept a contribution from a

lobbyist, and a lobbyist may not make a contribution to an elected state officer or candidate for elected state office, if that lobbyist is registered to lobby the governmental agency for which the candidate is seeking election or the governmental agency of the elected state officer.

85703. Nothing in this act shall nullify contribution limitations or prohibitions of any local jurisdiction that apply to elections for local elective office, except that these limitations and prohibitions may not conflict with the provisions of Section 85312.

85704. A person may not make any contribution to a committee on the condition or with the agreement that it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to Section 84302.

SEC. 67. Section 89510 of the Government Code is amended to read:

89510. (a) A candidate may only accept contributions in accordance with the provision set forth in Chapter 5 (commencing with Section 85100).

(b) All contributions deposited into the campaign account shall be deemed to be held in trust for purposes set forth in Chapter 5 (commencing with Section 85100).

SEC. 68. Section 89519 of the Government Code, as added by Chapter 84 of the Statutes of 1990, is repealed.

SEC. 69. Section 89519 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 70. Section 89519 is added to the Government Code, to read:

89519. (a) Upon leaving any elected office, or at the end of the postelection reporting period following the defeat of a candidate for elective office, whichever occurs last, campaign funds raised after January 1, 1989, under the control of the former candidate or elected officer shall be considered surplus campaign funds and shall be disclosed pursuant to Chapter 4 (commencing with Section 84100).

(b) Surplus campaign funds shall be used only for the following purposes:



(1) The payment of outstanding campaign debts or elected officer's expenses.

(2) The repayment of contributions.

(3) Donations to any bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization, where no substantial part of the proceeds will have a material financial effect on the former candidate or elected officer, any member of his or her immediate family, or his or her campaign treasurer.

(4) Contributions to a political party committee, provided the campaign funds are not used to support or oppose candidates for elective office. However, the campaign funds may be used by a political party committee to conduct partisan voter registration, partisan get-out-the-vote activities, and slate mailers as that term is defined in Section 82048.3.

(5) Contributions to support or oppose any candidate for federal office, any candidate for elective office in a state other than California, or any ballot measure.

(6) The payment for professional services reasonably required by the committee to assist in the performance of its administrative functions, including payment for attorney's fees for litigation which arises directly out of a candidate's or elected officer's activities, duties, or status as a candidate or elected officer, including, but not limited to, an action to enjoin defamation, defense of an action brought of a violation of state or local campaign, disclosure, or election laws, and an action from an election contest or recount.

(c) For purposes of this section, the payment for, or the reimbursement to the state of, the costs of installing and monitoring an electronic security system in the home or office, or both, of a candidate or elected officer who has received threats to his or her physical safety shall be deemed an outstanding campaign debt or elected officer's expense, provided that the threats arise from his or her activities, duties, or status as a candidate or elected officer and that the threats have been reported to and verified by an appropriate law enforcement agency. Verification shall be determined solely by the law



enforcement agency to which the threat was reported. The candidate or elected officer shall report any expenditure of campaign funds made pursuant to this section to the commission. The report to the commission shall include the date that the candidate or elected officer informed the law enforcement agency of the threat, the name and the telephone number of the law enforcement agency, and a brief description of the threat. No more than five thousand dollars (\$5,000) in surplus campaign funds may be used, cumulatively, by a candidate or elected officer pursuant to this subdivision. Payments made pursuant to this subdivision shall be made during the two years immediately following the date upon which the campaign funds become surplus campaign funds. The candidate or elected officer shall reimburse the surplus fund account for the fair market value of the security system no later than two years immediately following the date upon which the campaign funds became surplus campaign funds. The campaign funds become surplus campaign funds upon sale of the property on which the system is installed, or prior to the closing of the surplus campaign fund account, whichever comes first. The electronic security system shall be the property of the campaign committee of the candidate or elected officer.

SEC. 71. Section 91000 of the Government Code, added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

SEC. 72. Section 91000 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 73. Section 91000 is added to the Government Code, to read:

91000. (a) Any person who knowingly or willfully violates any provision of this title is guilty of a misdemeanor.

(b) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars (\$10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or



received may be imposed upon conviction for each violation.

(c) Prosecution for violation of this title must be commenced within four years after the date on which the violation occurred.

SEC. 74. Section 91004 of the Government Code, added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

SEC. 75. Section 91004 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 76. Section 91004 is added to the Government Code, to read:

91004. Any person who intentionally or negligently violates any of the reporting requirements of this title shall be liable in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount not more than the amount or value not properly reported.

SEC. 77. Section 91005.5 of the Government Code, as added by Chapter 727 of the Statutes of 1982, is repealed.

SEC. 78. Section 91005.5 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 79. Section 91005.5 is added to the Government Code, to read:

91005.5. Any person who violates any provision of this title, except Sections 84305, 84307, and 89001, for which no specific civil penalty is provided, shall be liable in a civil action brought by the commission or the district attorney pursuant to subdivision (b) of Section 91001, or the elected city attorney pursuant to Section 91001.5, for an amount up to five thousand dollars (\$5,000) per violation.

No civil action alleging a violation of this title may be filed against a person pursuant to this section if the criminal prosecutor is maintaining a criminal action against that person pursuant to Section 91000.

The provisions of this section shall be applicable only as to violations occurring after the effective date of this section.



SEC. 80. Section 91006 of the Government Code, added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

SEC. 81. Section 91006 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 82. Section 91006 is added to the Government Code, to read:

91006. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

SEC. 83. This act shall become operative on January 1, 2001. However, Chapter 5 (commencing with Section 85100) of Title 9 of the Government Code, except subdivision (a) of Section 85309 of the Government Code, shall apply to candidates for statewide elective office beginning on and after November 6, 2002.

SEC. 84. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 85. (a) A special election is hereby called to be held throughout the state on November 7, 2000. The election shall be consolidated with the statewide general election to be held on that date. The consolidated election shall be held and conducted in all respects as if there were only one election and only one form of ballot shall be used.

(b) Notwithstanding Section 9040 of the Elections Code or any other provision of law, the Secretary of State, pursuant to subdivision (b) of Section 81012 of the Government Code shall submit this act for approval to the voters at the November 7, 2000, statewide general election.

SEC. 86. This is an act calling an election pursuant to paragraph (3) of subdivision (c) of Section 8 of Article IV of the California Constitution, and shall take effect immediately.



Approved _____, 2000

Governor

